HOUSE COMMITTEE OF REFERENCE REPORT

April 8, 2019
Chair of Committee Date
Committee on <u>Finance</u> .
After consideration on the merits, the Committee recommends the following:
HB19-1230 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:
Strike the Business Affairs and Labor Committee Report, dated March 27, 2019, and substitute:
"Amend printed bill, strike everything below the enacting clause and substitute:
"SECTION 1. In Colorado Revised Statutes, 44-12-103, amend
(24); and add (13.5) and (21.4) as follows:
44-12-103. Definitions. As used in this article 12, unless the
context otherwise requires:
(13.5) "Marijuana hospitality establishment" means a
FACILITY, WHICH MAY BE MOBILE, LICENSED TO PERMIT THE CONSUMPTION
OF MARIJUANA PURSUANT TO THIS ARTICLE 12; RULES PROMULGATED
PURSUANT TO THIS ARTICLE 12; AND THE PROVISIONS OF AN ENACTED
INITIATED, OR REFERRED ORDINANCE OR RESOLUTION OF THE LOCAL
JURISDICTION IN WHICH THE LICENSEE OPERATES.
(21.4) "RETAIL MARIJUANA HOSPITALITY AND SALES
ESTABLISHMENT" MEANS A FACILITY, WHICH CANNOT BE MOBILE
LICENSED TO PERMIT THE CONSUMPTION OF ONLY THE RETAIL MARIJUANA
OR RETAIL MARIJUANA PRODUCTS IT HAS SOLD PURSUANT TO THE
PROVISIONS OF AN ENACTED, INITIATED, OR REFERRED ORDINANCE OR
RESOLUTION OF THE LOCAL JURISDICTION IN WHICH THE LICENSEE
OPERATES.
(24) "Retail marijuana establishment" means a retail marijuana
store, a retail marijuana cultivation facility, a retail marijuana products

manufacturer, A MARIJUANA HOSPITALITY ESTABLISHMENT, A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT, or a retail marijuana testing facility.

SECTION 2. In Colorado Revised Statutes, 44-12-202, **amend** (1) introductory portion and (2)(a); and **add** (3)(a)(XXV) and (3)(a)(XXVI) as follows:

44-12-202. Powers and duties of state licensing authority rules. (1) To ensure that no marijuana grown or processed by a retail marijuana establishment is sold or otherwise transferred except by a retail marijuana store, A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT, or as authorized by law, the state licensing authority shall develop and maintain a seed-to-sale tracking system that tracks retail marijuana from either seed or immature plant stage until the marijuana or retail marijuana product is sold to a customer at a retail marijuana store OR TO A PATRON AT A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT; except that retail marijuana or retail marijuana product is PRODUCTS ARE no longer subject to the tracking system once the retail marijuana has been:

- (2) The state licensing authority has the authority to:
- (a) Grant or refuse state licenses for the cultivation, manufacture, distribution, sale, HOSPITALITY, and testing of retail marijuana and retail marijuana products as provided by law; suspend, fine, restrict, or revoke such licenses, whether active, expired, or surrendered, upon a violation of this article 12 or any rule promulgated pursuant to this article 12; and impose any penalty authorized by this article 12 or any rule promulgated pursuant to this article 12. The state licensing authority may take any action with respect to a registration pursuant to this article 12 as it may with respect to a license pursuant to this article 12, in accordance with the procedures established pursuant to this article 12.
- (3) (a) Rules promulgated pursuant to subsection (2)(b) of this section must include, but need not be limited to, the following subjects:

(XXV) THE IMPLEMENTATION OF MARIJUANA HOSPITALITY AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSES, INCLUDING BUT NOT LIMITED TO:

- (A) GENERAL INSURANCE LIABILITY REQUIREMENTS;
- (B) A SALES LIMIT PER TRANSACTION FOR RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS THAT MAY BE SOLD TO A PATRON OF A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT; EXCEPT THAT THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY MUST NOT BE AN AMOUNT LESS THAN ONE GRAM OF RETAIL MARIJUANA FLOWER, ONE-QUARTER OF ONE GRAM OF RETAIL MARIJUANA

CONCENTRATE, OR A RETAIL MARIJUANA PRODUCT CONTAINING NOT MORE THAN TEN MILLIGRAMS OF ACTIVE THC;

- (C) RESTRICTIONS ON THE TYPE OF ANY RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCT AUTHORIZED TO BE SOLD INCLUDING THAT THE MARIJUANA OR PRODUCT BE MEANT FOR CONSUMPTION IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (D) PROHIBITIONS ON ACTIVITY THAT WOULD REQUIRE ADDITIONAL LICENSURE ON THE LICENSED PREMISES, INCLUDING BUT NOT LIMITED TO SALES, MANUFACTURING, OR CULTIVATION ACTIVITY;
- (E) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS OPERATING PURSUANT TO SECTION 44-12-408 OR 44-12-409 IN A RETAIL FOOD ESTABLISHMENT;
- (F) REQUIREMENTS FOR MARIJUANA HOSPITALITY ESTABLISHMENTS AND RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEES TO DESTROY ANY UNCONSUMED MARIJUANA OR MARIJUANA PRODUCTS LEFT BEHIND BY A PATRON; AND
- (G) RULES TO ENSURE COMPLIANCE WITH SECTION 42-4-1305.5; (XXVI) FOR MARIJUANA HOSPITALITY ESTABLISHMENTS THAT ARE MOBILE, REGULATIONS INCLUDING BUT NOT LIMITED TO:
- (A) REGISTRATION OF VEHICLES AND PROPER DESIGNATION OF VEHICLES USED AS MOBILE LICENSED PREMISES;
 - (B) SURVEILLANCE CAMERAS INSIDE THE VEHICLES;
- (C) GLOBAL POSITIONING SYSTEM TRACKING AND ROUTE LOGGING IN AN ESTABLISHED ROUTE MANIFEST SYSTEM;
 - (D) COMPLIANCE WITH SECTION 42-4-1305.5;
- 27 (E) ENSURING ACTIVITY IS NOT VISIBLE OUTSIDE OF THE VEHICLE; 28 AND
 - (F) PROPER VENTILATION WITHIN THE VEHICLE.

SECTION 3. In Colorado Revised Statutes, 44-12-401, **amend** (1)(f); and **add** (1)(h) and (1)(i) as follows:

44-12-401. Classes of licenses. (1) For the purpose of regulating the cultivation, manufacture, distribution, sale, and testing of retail marijuana and retail marijuana products, the state licensing authority in its discretion, upon receipt of an application in the prescribed form, may issue and grant to the applicant a license from any of the following classes, subject to the provisions and restrictions provided by this article 12:

- (f) Retail marijuana transporter license; and
- (h) MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE; AND
- 41 (i) RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT

LICENSE.

SECTION 4. In Colorado Revised Statutes, 44-12-402, add (2)(c) as follows:

44-12-402. Retail marijuana store license - definition. (2) (c) A RETAIL MARIJUANA STORE MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE.

SECTION 5. In Colorado Revised Statutes, 44-12-403, **amend** (1) as follows:

44-12-403. Retail marijuana cultivation facility license - rules - definitions. (1) A retail marijuana cultivation facility license may be issued only to a person who cultivates retail marijuana for sale and distribution to licensed retail marijuana stores, retail marijuana products manufacturing licensees, RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTLICENSEES, or other retail marijuana cultivation facilities.

SECTION 6. In Colorado Revised Statutes, 44-12-404, **add** (1)(e) as follows:

44-12-404. Retail marijuana products manufacturing license - rules - definitions. (1) (e) A RETAIL MARIJUANA PRODUCTS MANUFACTURER MAY SELL RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS TO A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT.

SECTION 7. In Colorado Revised Statutes, **add** 44-12-408 and 44-12-409 as follows:

- **44-12-408. Marijuana hospitality establishment license rules definition.** (1) (a) On and after January 1, 2020, the state licensing authority may issue a marijuana hospitality establishment license authorizing the licensee to operate a licensed premises in which marijuana may be consumed pursuant to this article 12, rules promulgated pursuant to this article 12, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
- (b) Subject to provisions of this article 12 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food establishment as defined in section 25-4-1602 (14), may apply for a license to operate a marijuana hospitality establishment in an isolated portion of the premises of the retail food establishment. A retail food establishment operating a marijuana hospitality establishment pursuant to this subsection (1)(b) is subject to the terms and conditions of article 4 of title 25 and the rules promulgated

PURSUANT TO THAT ARTICLE INCLUDING BUT NOT LIMITED TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE MARIJUANA HOSPITALITY ESTABLISHMENT TO ENGAGE IN THE MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR PROVIDED AT THE RETAIL FOOD ESTABLISHMENT.

- (2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF MARIJUANA HOSPITALITY ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.
- (b) If a municipality, county, city, or city and county authorizes the operation of marijuana hospitality establishments, it may adopt an approval requirement that complies with the requirements of this article 12. The municipality, county, city, or city and county may require additional or more stringent requirements than those provided in this section.
- (c) If a municipality, county, city, or city and county has in effect as of the effective date of this section an ordinance or resolution related to consumption of marijuana, nothing in this section restricts the enforcement of that ordinance or resolution, and the local jurisdiction may, by ordinance or resolution, require a business operating as a place for on-site marijuana consumption to be licensed pursuant to this section.
- (3) (a) (I) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY. EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON
- 41 LOCAL LICENSING AUTHORITY APPROVAL.

- (II) AN APPLICANT IS PROHIBITED FROM OPERATING A MARIJUANA HOSPITALITY ESTABLISHMENT WITHOUT STATE AND LOCAL LICENSING AUTHORITY APPROVAL; EXCEPT THAT A BUSINESS OPERATING A LOCATION BEFORE DECEMBER 31, 2019, AT WHICH THE CONSUMPTION OF MARIJUANA IS PERMITTED PURSUANT TO A LOCAL ORDINANCE OR RESOLUTION, MAY CONTINUE TO OPERATE UNTIL A STATE LICENSE IS APPROVED OR DENIED IF THE BUSINESS APPLIES FOR A LICENSE UNDER THIS SECTION ON OR BEFORE DECEMBER 31, 2019. BEGINNING JANUARY 1, 2020, ANY SUCH BUSINESS THAT HAS NOT APPLIED FOR A STATE LICENSE SHALL CEASE OPERATION.
- (III) IF A MARIJUANA HOSPITALITY LICENSE IS DENIED BY THE STATE, THE BUSINESS SHALL IMMEDIATELY CEASE OPERATIONS FOR WHICH A MARIJUANA HOSPITALITY LICENSE IS REQUIRED PURSUANT TO THIS ARTICLE 12. IF THE APPLICANT DOES NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.
- (b) THE STATE LICENSING AUTHORITY SHALL DENY A STATE LICENSE FOR THE REASONS SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION IF THE LICENSED PREMISES IN WHICH THE APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS ARTICLE 12. THE STATE LICENSING AUTHORITY MAY DENY A LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (3)(b), "GOOD CAUSE" MEANS:
- (I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET, OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR REGULATIONS;
- (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY; OR
- (III) THE LICENSED PREMISES HAS BEEN OPERATED IN A MANNER THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.
- (c) A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSE IS VALID FOR A PERIOD TO BE ESTABLISHED BY RULE OF THE STATE LICENSING

AUTHORITY, BUT FOR NO LONGER THAN ONE YEAR, AND THE LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.

- (d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL MARIJUANA HOSPITALITY ESTABLISHMENTS IN THE STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.
 - (4) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL NOT:
- (a) ENGAGE IN OR PERMIT THE SALE OR EXCHANGE FOR REMUNERATION OF RETAIL OR MEDICAL MARIJUANA, RETAIL MARIJUANA PRODUCTS, OR MEDICAL MARIJUANA-INFUSED PRODUCTS IN THE LICENSED PREMISES;
- (b) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (d) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (e) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;
- (f) Allow any activity that would require an additional license under this article 12 in the licensed premises of the establishment, including but not limited to sales, manufacturing, or cultivation;
- (g) Knowingly Permit any activity or acts of disorderly conduct as described in Section 18-9-106;
- (h) PERMIT THE USE OR CONSUMPTION OF MARIJUANA BY A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION;
- (i) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (j) ADMIT INTO THE LICENSED PREMISES OF THE ESTABLISHMENT ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.
 - (5) A MARIJUANA HOSPITALITY ESTABLISHMENT SHALL:
- (a) OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND RESPECTABLE MANNER;
- (b) REQUIRE ALL EMPLOYEES OF THE ESTABLISHMENT TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101;

- (c) Ensure that the display and consumption of any marijuana is not visible from outside of the licensed premises of the establishment;
- (d) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS SUBSECTION (5)(d) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.
- (e) Maintain a record of all educational materials required by subsection (5)(d) of this section in the licensed premises for inspection by state and local licensing authorities and law enforcement; and
- (f) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a marijuana hospitality establishment, ensure that all employees and patrons of the establishment cease all consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (6) A MARIJUANA HOSPITALITY ESTABLISHMENT AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.
- **44-12-409.** Retail marijuana hospitality and sales establishment license rules definition. (1) (a) On and after January 1, 2020, the state licensing authority may issue a retail marijuana hospitality and sales establishment license authorizing the licensee to operate a licensed premises in which marijuana may be sold and consumed pursuant to this article 12, rules promulgated pursuant to this article 12, and the provisions of the ordinance or resolution of the local jurisdiction in which the licensee operates.
- (b) Subject to provisions of this article 12 and the ordinance or resolution of the local jurisdiction in which the licensee operates, a retail food establishment as defined in section 25-4-1602 (14) may apply for a license to operate a retail marijuana hospitality and sales establishment in an isolated

- 1 PORTION OF THE PREMISES OF THE RETAIL FOOD ESTABLISHMENT. A RETAIL
- 2 FOOD ESTABLISHMENT OPERATING A RETAIL MARIJUANA HOSPITALITY AND
- 3 SALES ESTABLISHMENT PURSUANT TO THIS SUBSECTION (1)(b) IS SUBJECT
- 4 TO THE TERMS AND CONDITIONS OF ARTICLE 4 OF TITLE 25 AND THE RULES
- 5 PROMULGATED PURSUANT TO THAT ARTICLE INCLUDING BUT NOT LIMITED
- 6 TO LICENSURE REQUIREMENTS AND INSPECTION AND ENFORCEMENT
- 7 AUTHORITY OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND
- 8 ENVIRONMENT. THIS SUBSECTION (1)(b) DOES NOT AUTHORIZE THE RETAIL
- 9 MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT TO ENGAGE IN THE
- 10 MANUFACTURE OF MEDICAL MARIJUANA-INFUSED PRODUCTS OR RETAIL
- 11 MARIJUANA PRODUCTS OR TO ADD MARIJUANA TO FOODS PRODUCED OR
- 12 PROVIDED AT THE RETAIL FOOD ESTABLISHMENT.

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- (2) (a) A LOCAL JURISDICTION MAY AUTHORIZE THE OPERATION OF RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS WITHIN ITS JURISDICTION THROUGH THE ENACTMENT OF AN ORDINANCE OR THROUGH A REFERRED OR INITIATED MEASURE. IF A COUNTY OR CITY AND COUNTY ACTS THROUGH AN INITIATED MEASURE, THE PROPONENTS SHALL SUBMIT A PETITION SIGNED BY NOT LESS THAN FIFTEEN PERCENT OF THE REGISTERED ELECTORS IN THE COUNTY OR CITY AND COUNTY.
- (b) If a municipality, county, city, or city and county authorizes the operation of retail marijuana hospitality and sales establishments, it may adopt an approval requirement that complies with the requirements of this article 12. The municipality, county, city, or city and county may require additional or more stringent requirements than those provided in this section.
- 27 (3) (a) APPLICATIONS FOR A LICENSE PURSUANT TO THIS SECTION 28 MUST BE MADE TO THE STATE LICENSING AUTHORITY ON FORMS PREPARED 29 AND FURNISHED BY THE STATE LICENSING AUTHORITY AND MUST SET 30 FORTH SUCH INFORMATION AS THE STATE LICENSING AUTHORITY MAY 31 REQUIRE TO ENABLE THE STATE LICENSING AUTHORITY TO DETERMINE 32 WHETHER A STATE LICENSE SHOULD BE GRANTED. THE INFORMATION 33 MUST INCLUDE THE NAME AND ADDRESS OF THE APPLICANT AND ANY 34 OTHER INFORMATION REQUESTED BY THE STATE LICENSING AUTHORITY. 35 EACH APPLICATION MUST BE VERIFIED BY THE OATH OR AFFIRMATION OF 36 SUCH PERSON OR PERSONS AS THE STATE LICENSING AUTHORITY MAY 37 PRESCRIBE. THE STATE LICENSE IS CONDITIONED UPON LOCAL LICENSING 38 AUTHORITY APPROVAL. AN APPLICANT IS PROHIBITED FROM OPERATING A 39 RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT WITHOUT 40 STATE AND LOCAL LICENSING AUTHORITY APPROVAL. IF THE APPLICANT

DOES NOT RECEIVE LOCAL LICENSING AUTHORITY APPROVAL WITHIN ONE

YEAR AFTER THE DATE OF STATE LICENSING AUTHORITY APPROVAL, THE STATE LICENSE EXPIRES AND MAY NOT BE RENEWED. IF AN APPLICATION IS DENIED BY THE LOCAL LICENSING AUTHORITY OR THE APPROVAL OF THE LOCAL LICENSING AUTHORITY IS REVOKED, THE STATE LICENSING AUTHORITY SHALL REVOKE THE STATE-ISSUED LICENSE.

- (b) THE STATE LICENSING AUTHORITY SHALL DENY A STATE LICENSE FOR THE REASONS SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION IF THE LICENSED PREMISES IN WHICH THE APPLICANT PROPOSES TO CONDUCT ITS BUSINESS DOES NOT MEET THE REQUIREMENTS OF THIS ARTICLE 12. THE STATE LICENSING AUTHORITY MAY DENY A LICENSE RENEWAL OR REINSTATEMENT OR AN INITIAL ENDORSEMENT FOR GOOD CAUSE. FOR PURPOSES OF THIS SUBSECTION (3)(b), "GOOD CAUSE" MEANS:
- (I) THE LICENSEE OR APPLICANT HAS VIOLATED, DOES NOT MEET, OR HAS FAILED TO COMPLY WITH ANY OF THE TERMS, CONDITIONS, OR PROVISIONS OF THIS ARTICLE 12; ANY RULES PROMULGATED PURSUANT TO THIS ARTICLE 12; OR ANY SUPPLEMENTAL LOCAL LAW, RULES, OR REGULATIONS;
- (II) THE LICENSEE OR APPLICANT HAS FAILED TO COMPLY WITH ANY SPECIAL TERMS OR CONDITIONS THAT WERE PLACED ON ITS LICENSE PURSUANT TO AN ORDER OF THE STATE OR LOCAL LICENSING AUTHORITY; OR
- (III) THE LICENSED PREMISES HAS BEEN OPERATED IN A MANNER THAT ADVERSELY AFFECTS THE PUBLIC HEALTH OR THE SAFETY OF THE IMMEDIATE NEIGHBORHOOD IN WHICH THE ESTABLISHMENT IS LOCATED.
- (c) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSE IS VALID FOR A PERIOD TO BE ESTABLISHED BY RULE OF THE STATE LICENSING AUTHORITY, BUT NO LONGER THAN ONE YEAR, AND THE LICENSE MAY BE RENEWED. THE STATE LICENSING AUTHORITY SHALL ESTABLISH BY RULE THE AMOUNT OF THE APPLICATION FEE AND RENEWAL FEE FOR THE LICENSE.
- (d) THE STATE LICENSING AUTHORITY SHALL MAINTAIN A LIST OF ALL RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENTS IN THE STATE AND SHALL MAKE THE LIST AVAILABLE ON ITS WEBSITE.
- (4) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE SHALL NOT:
- (a) ENGAGE IN MULTIPLE SALES TRANSACTIONS TO THE SAME PATRON DURING THE SAME BUSINESS DAY WHEN THE ESTABLISHMENT'S EMPLOYEE KNOWS OR REASONABLY SHOULD HAVE KNOWN THAT THE SALES TRANSACTION WOULD RESULT IN THE PATRON POSSESSING MORE THAN THE SALES LIMIT ESTABLISHED BY THE STATE LICENSING AUTHORITY;

- (b) ALLOW ON-DUTY EMPLOYEES OF THE ESTABLISHMENT TO CONSUME ANY MARIJUANA IN THE LICENSED PREMISES;
- (c) DISTRIBUTE OR ALLOW DISTRIBUTION OF FREE SAMPLES OF MARIJUANA IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (d) ALLOW THE SMOKING OF TOBACCO OR TOBACCO PRODUCTS IN THE LICENSED PREMISES OF THE ESTABLISHMENT;
- (e) ALLOW THE USE OF ANY DEVICE USING ANY LIQUID PETROLEUM GAS, A BUTANE TORCH, A BUTANE LIGHTER, OR MATCHES IN THE LICENSED PREMISES IF PROHIBITED BY LOCAL ORDINANCE OR RESOLUTION;
- (f) ALLOW ANY ACTIVITY THAT WOULD REQUIRE AN ADDITIONAL LICENSE UNDER THIS ARTICLE 12 IN THE LICENSED PREMISES OF THE ESTABLISHMENT, INCLUDING BUT NOT LIMITED TO MANUFACTURING OR CULTIVATION ACTIVITY;
- (g) Knowingly Permit any activity or acts of disorderly conduct as described in Section 18-9-106;
- (h) SELL, SERVE, OR PERMIT THE SALE OR SERVING OF RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS TO ANY PATRON WHO SHOWS SIGNS OF VISIBLE INTOXICATION;
- (i) PERMIT ROWDINESS, UNDUE NOISE, OR OTHER DISTURBANCES OR ACTIVITY OFFENSIVE TO THE AVERAGE CITIZEN OR TO THE RESIDENTS OF THE NEIGHBORHOOD IN WHICH THE LICENSED PREMISES IS LOCATED; OR
- (j) ADMIT INTO THE LICENSED PREMISES OF A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT ANY PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.
- (5) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSEE SHALL:
- (a) TRACK ALL OF ITS RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS FROM THE POINT THAT THEY ARE TRANSFERRED FROM A RETAIL MARIJUANA STORE, RETAIL MARIJUANA PRODUCTS MANUFACTURER, OR RETAIL MARIJUANA CULTIVATION FACILITY TO THE POINT OF SALE TO ITS PATRONS;
- (b) LIMIT A PATRON TO ONE TRANSACTION OF NO MORE THAN THE SALES LIMIT SET BY THE STATE LICENSING AUTHORITY BY RULE PURSUANT TO SECTION 44-12-202 (3)(a)(XXV);
- (c) Before allowing a patron to leave the licensed premises with any retail marijuana or retail marijuana products, package and label the retail marijuana or retail marijuana products in accordance with procedures developed by the establishment that comply with the requirements of section 44-12-202 (3)(a)(VIII) and (3)(d)(II);
 - (d) OPERATE THE ESTABLISHMENT IN A DECENT, ORDERLY, AND

RESPECTABLE MANNER;

- (e) REQUIRE ALL EMPLOYEES OF THE ESTABLISHMENT TO SUCCESSFULLY COMPLETE AN ANNUAL RESPONSIBLE VENDOR TRAINING PROGRAM AUTHORIZED PURSUANT TO SECTION 44-11-1101;
- (f) Ensure that the display and consumption of any retail marijuana or retail marijuana product is not visible from outside of the establishment;
- (g) EDUCATE CONSUMERS OF MARIJUANA BY PROVIDING INFORMATIONAL MATERIALS REGARDING THE SAFE CONSUMPTION OF MARIJUANA. THE MATERIALS MUST BE BASED ON THE REQUIREMENTS ESTABLISHED BY THE MARIJUANA EDUCATIONAL OVERSIGHT COMMITTEE, ESTABLISHED PURSUANT TO SECTION 24-20-112 (4), AND ON THE RELEVANT RESEARCH FROM THE PANEL OF HEALTH CARE PROFESSIONALS APPOINTED PURSUANT TO SECTION 25-1.5-110. NOTHING IN THIS SUBSECTION (5)(g) PROHIBITS A LOCAL JURISDICTION FROM ADOPTING ADDITIONAL REQUIREMENTS FOR EDUCATION ON SAFE CONSUMPTION.
- (h) Maintaining a record of all educational materials required by subsection (5)(g) of this section in the licensed premises for inspection by state and local licensing authorities and law enforcement; and
- (i) If an emergency requires law enforcement, firefighters, emergency medical service providers, or other public safety personnel to enter a retail marijuana hospitality and sales establishment, ensure that all employees and patrons of the establishment cease all sales, consumption and other activities until such personnel have completed their investigation or services and have left the licensed premises.
- (6) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT AND ITS EMPLOYEES MAY REMOVE AN INDIVIDUAL FROM THE ESTABLISHMENT FOR ANY REASON, INCLUDING A PATRON WHO DISPLAYS ANY VISIBLE SIGNS OF INTOXICATION.
- (7) A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT MAY PURCHASE RETAIL MARIJUANA OR RETAIL MARIJUANA PRODUCTS FROM ANY RETAIL MARIJUANA STORE, RETAIL MARIJUANA CULTIVATION FACILITY, OR RETAIL MARIJUANA PRODUCTS MANUFACTURER.
- **SECTION 8.** In Colorado Revised Statutes, 44-12-901, **amend** (1) and (4)(g) as follows:
- 44-12-901. Unlawful acts exceptions. (1) Except in the licensed premises of a marijuana hospitality establishment licensed pursuant to section 44-12-408 or a retail marijuana hospitality and sales establishment licensed pursuant to

SECTION 44-12-409 OR as otherwise provided in this article 12, it is unlawful for a person to consume retail marijuana or retail marijuana products in a licensed retail marijuana establishment, and it is unlawful for a retail marijuana licensee to allow retail marijuana or retail marijuana products to be consumed upon its licensed premises.

- (4) It is unlawful for any person licensed to sell retail marijuana or retail marijuana products pursuant to this article 12:
- (g) EXCEPT IN THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409, to have on the licensed premises any retail marijuana, retail marijuana products, or marijuana paraphernalia that shows evidence of the retail marijuana having been consumed or partially consumed;

SECTION 9. In Colorado Revised Statutes, 18-18-406, add (5)(b)(IV) and (5)(b)(V) as follows:

- **18-18-406.** Offenses related to marijuana and marijuana concentrate definitions. (5) (b) (IV) Public display, consumption, or use of Marijuana or Marijuana concentrate pursuant to the provisions of Section 44-12-408, when such display, consumption, or use is within the licensed premises of a Marijuana Hospitality establishment licensed pursuant to Section 44-12-408, is not a violation of this subsection (5).
- (V) Public display, consumption, or use of retail marijuana or retail marijuana concentrate pursuant to the provisions of section 44-12-409, when such display, consumption, or use is within the licensed premises of a retail marijuana hospitality and sales establishment licensed pursuant to section 44-12-409 and when an individual's display, consumption, or use does not exceed the sales limit established by the state licensing authority by rule pursuant to section 44-12-202 (3)(a)(XXV)(B), is not a violation of this subsection (5).

SECTION 10. In Colorado Revised Statutes, 25-14-205, **amend** (1) introductory portion, (1)(i), and (1)(k)(I)(C); and **add** (1)(l) as follows:

- **25-14-205.** Exceptions to smoking restrictions. (1) This part 2 shall DOES not apply to:
- (i) A private, nonresidential building on a farm or ranch, as defined in section 39-1-102, C.R.S., that has annual gross income of less than five hundred thousand dollars; or
 - (k) (I) The areas of assisted living facilities:

1 2

- 1 (C) To which access is restricted to the residents or their guests; 2 OR
 - (1) IF AUTHORIZED BY LOCAL ORDINANCE, LICENSE, OR REGULATION, THE LICENSED PREMISES OF A MARIJUANA HOSPITALITY ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-408 OR A RETAIL MARIJUANA HOSPITALITY AND SALES ESTABLISHMENT LICENSED PURSUANT TO SECTION 44-12-409; EXCEPT THAT THIS EXCEPTION ONLY APPLIES TO THE SMOKING OF MARIJUANA AND DOES NOT ALLOW THE SMOKING OF TOBACCO WITHIN SUCH PREMISES.

SECTION 11. In Colorado Revised Statutes, 44-11-1101, **amend** (2) introductory portion, (2)(b)(IV), and (2)(b)(V); and **add** (2)(b)(VI) as follows:

- **44-11-1101.** Responsible vendor program standards designation. (2) An approved training program shall MUST contain, at a minimum, the following standards and shall MUST be taught in a classroom setting in a minimum of a two-hour period:
- (b) A core curriculum of pertinent statutory and regulatory provisions, which curriculum includes, but need not be limited to:
- (IV) Acceptable forms of identification, including patient registry cards and associated documents and procedures; and
- (V) Local and state licensing and enforcement, which may include, but need not be limited to, key statutes and rules affecting patients, owners, managers, and employees; AND
- (VI) INFORMATION ON SERVING SIZE, THC AND CANNABINOID POTENCY, AND IMPAIRMENT.

SECTION 12. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor."."

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